

PERS SELECT PPO Update

CalPERS Health Benefits Committee
December 18, 2007



PERS Select PPO Update

❖ Projection Updates

- Blue Precision
- Network
- Enrollment
- Financial

❖ Implementation Updates

- Member communication
- Provider communication
- Installation
- Future

Blue Precision – Blue Cross/Blue Shield Association Progress

Availability: The following table shows where **Blue Precision** networks are currently available, along with their local names. It also shows networks which are planned in the near future:

Alabama	Kentucky – <i>Value Networks</i>	Oklahoma
California – <i>Select PPO</i>	Maine – <i>Value Networks</i>	Oregon
Colorado – <i>Value Networks</i>	Maryland	Tennessee
Connecticut – <i>Value Networks</i>	Massachusetts	Texas
Georgia – <i>Value Networks</i>	Minnesota	Utah
Florida	New Hampshire – <i>Value Networks</i>	Washington
Idaho	New Jersey	DC/Northern Virginia
Illinois	New York – <i>Value Networks</i>	
Indiana – <i>Value Networks</i>	Ohio – <i>Value Networks</i>	
Missouri (7/1/07) Wisconsin (7/1/07)	Pennsylvania (7/1/08)	Virginia (1/1/08)

Blue Precision vs. PERS Select PPO

- ❖ Not all **Blue Precision** networks follow precisely the same network design, but they all share the principle of designating high performance providers and applying tiered benefits to steer members toward these providers.
- ❖ The **Select PPO network in California** differs slightly from the **Blue Precision** network in that its Episodic Treatment Groups cost-efficiency selection methodology is applied to primary care providers as well as specialists.
 - This network requires a two-tiered benefit design.

Platform for National Blue Precision Networks

❖ **Multi-Carrier commitments to Andrew Cuomo, NY Attorney General:**

- Aetna
- Cigna
- Wellpoint

❖ **Wellpoint National Approach:**

- Ensure that rankings for doctors are not based solely on cost
- Use established national standards to measure quality and cost efficiency;
- Employ measures to foster more accurate physician comparisons, including risk adjustment
- Disclose to consumers how the program is designed and how doctors are ranked, and provide a process for consumers to register complaints about the system;
- Disclose to physicians how rankings are designed, and provide a process to appeal;
- Nominate and pay for the Rx, who will oversee compliance with all aspects of the new ranking model; Ratings examiner will be a “national standard setting organization”.

PERS Select PPO Network Update

- ❖ Network remains consistent from original presentation.
- ❖ Reviewing expansion opportunities in the four excluded counties and expanding Urgent Care within the Select PPO network.
- ❖ Data being reviewed to confirm continued value of Select provider groups.

PERS Select PPO Enrollment Update

- ❖ Enrollment is now estimated at 3,100 members.
- ❖ This represents approximately 10% of original projections
- ❖ Factors influencing lower enrollment:
 - Premium differential less than anticipated.
 - **The minimal 6% increase for PERS Choice diffused demand for PERS Select.**
 - Created an environment where members had little change in their contributions if they remained with Choice.
 - Members satisfied with current plans.
 - Members uncertain about new product.

CalPERS Premium Differential with PERS Select PPO

Net 6.0% premium rate differential proposed for PERS Choice

PERS Select Choice	Single	2-Party	Family
	<div><div>\$449</div><div>\$478</div><div>\$29</div></div>	<div><div>\$898</div><div>\$955</div><div>\$57</div></div>	<div><div>\$1167</div><div>\$1242</div><div>\$75</div></div>

Net 3.0% premium rate differential applied to PERS Choice

PERS Select Choice	Single	2-Party	Family
	<div><div>\$463</div><div>\$478</div><div>\$15</div></div>	<div><div>\$925</div><div>\$955</div><div>\$30</div></div>	<div><div>\$1203</div><div>\$1242</div><div>\$39</div></div>

Projected Financial Performance

❖ Financial

- PPO Select financial performance still expected to meet projections on a percentage basis.
- Need to further evaluate enrollment demographics to see if enrollment will reflect pricing value assumptions.
- Members who did not move from PERS Choice to PERS Select may still be using efficient providers minimizing negative impact of lower enrollment.

PERS Select PPO Implementation Update

❖ Member Communication

- PERS Select announcement mailing sent to PERSCare and PERS Choice California subscribers in late August.
- New member welcome packet mailed to each PERS Select subscriber.
- Welcome calls to each enrolled CalPERS Select member.
- Identification card distribution.

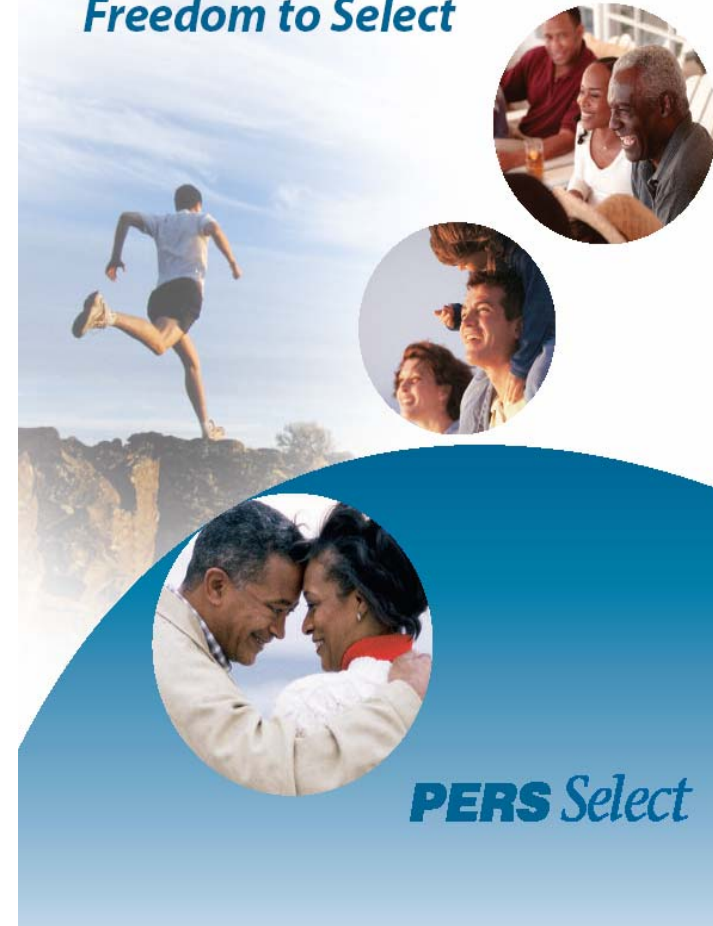
❖ Provider Communication

- Extract of enrollment to determine Select providers used historically
- Outreach mailing to each impacted provider reminding them of their role in PERS Select



❖ Installation

- CalPERS & BCC websites updated to reflect PERS Select
- Group Structure loaded
- Identification Card finalized
- System operational

Freedom to Select



PERS Select Identification Card

PERS Select BASIC	California Public Employees' Retirement System	
www.bluecrossca.com		
GROUP: SB01AG		Blue Cross PPO A Prudent Buyer Plan Product
MEMBER ID: CPR123A56789		
MEMBER NAME PLAN 040: Medical		
MEDICAL CLAIMS & INQUIRIES:	P.O. BOX 60007 LOS ANGELES, CA 90060	Pharmacy Administered by <i>medco</i> ® RXBIN: 610014 RXGRP: CPERSRX
CUSTOMER SERVICE: 1-877-737-7776 \$20 PPO PHYSICIAN OFFICE VISIT COPAY		

PERS Select Future

- ❖ Make the member's experience positive to help build momentum for the plan and future enrollment.
- ❖ Support relationship between member and provider ensuring a positive experience.
- ❖ Build on solid foundation of service to create long term value for everyone
- ❖ Work to ensure future contributions reflect the value of the product.
- ❖ Targeted mailings to members and providers; out reach calls to all Select members.
- ❖ Continue to define product as an alternative, not a mandate, but make the alternative attractive.
- ❖ Continue transparency continuum through Anthem Care Comparison – Arriving Q1 2008.

PERS Select Future

Anthem CareComparison Expanded to 6 Geographies

California*

Dayton, OH

Cincinnati, OH

Louisville, KY

Lexington, KY

Richmond, VA

Indianapolis, IN



Anthem® CareCompare - Greater Dayton, OH

> Select Healthcare Topic
> View Treatment Costs

National Online Provider Directory

Search the [National BlueCard Directory](#) when you need to locate a participating healthcare provider outside of your area.

View Treatment Cost

Gall Bladder - Removal (by Laparoscope) - Inpatient

Prices in the table below include this bundle of related services that are generally a standard part of this procedure or treatment: [Expand All](#)

- ◆ Laparoscopy, surgical; cholecystectomy (surgical removal of the gall bladder)
- ◆ Anesthesia
- ◆ An examination of a tissue sample for signs of disease
- ◆ Other - may include drugs, supplies, recovery room, room & board, etc.

- ▶ [View Description of Treatment](#)
- ▶ [What This Table Tells You](#)
- ▶ [Where The Prices Come From](#)
- ▶ [Applying Co-Pay and Co-Insurance](#)
- ▶ [Talking To Your Doctor](#)

▶ Facility Name	▼ Minimum Agreed Price	▶ Maximum Agreed Price	▶ Annual # of Svcs Performed
Upper Valley Medical Center	\$ -	\$	
Grandview and Southview Hospital	\$ -	\$	
Kettering Medical Center	\$ -	\$	
Greene Memorial Hospital	\$ -	\$	
Kettering Medical Center Sycamore	\$ -	\$	
Miami Valley Hospital	\$ -	\$	
Good Samaritan Hospital	\$ -	\$	

* Facility did not report

This information is applicable to Anthem members only. This information does not guarantee coverage in a particular amount. Deductible and co-insurance amounts and other requirements and limits such as authorization and pre-certification will be effective as per your benefit plan. Your cost for the procedure may change if more or different services are provided than the services listed under the covered services for the procedure/diagnostics. There may also be cost differences for your services based on the complexity of your condition and Anthem's contractual relationships with the healthcare provider. Anthem has used recent professional historical claims information and

*Expanding to CA in 2008



Supports CalPERS Strategic Plan

